DAJIN RESOURCES CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Three months ended February 28, 2019

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)

UNAUDITED FINANCIAL STATEMENTS: In accordance with National Instrument 51-102 of the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited financial statements for the three months ended February 28, 2019 and 2018.

DAJIN RESOURCES CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
February 28, 2019 and November 30, 2018
(Stated in Canadian dollars)
(Unaudited – Prepared by Management)

	February 28, 2019	November 30, 2018
ASSETS		
Current		
Marketable securities	$ 30,844	$ 100,866
Receivables	6,869	4,036
Prepaid expenses	6,619	8,774
	44,332	113,676
Equipment	1,037	1,626
Investment in associate – Note 6	1,432,702	1,432,702
Resource property costs – Note 7 and 9, and Schedule	3,685,417	3,678,679
Reclamation bonds	384,602	372,902
	$ 5,548,090	$ 5,599,585
LIABILITIES		
Current		
Bank indebtedness	$ 1,619	$ 2,325
Accounts payable and accrued liabilities – Note 8	1,046,706	1,039,627
Due to related parties – Note 9	281,566	263,529
Loan payable – Note 10	87,430	75,339
	1,417,321	1,380,820
SHAREHOLDERS' EQUITY		
Share capital – Note 8	28,182,145	28,182,145
Contributed surplus – Note 8	3,290,298	3,290,298
Accumulated deficit	(27,341,674)	(27,253,678)
	4,130,769	4,218,765
	$ 5,548,090	$ 5,599,585

Approved on behalf of the Board:

"Brian Findlay"
Director

"Catherine Hickson"
Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

DAJIN RESOURCES CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
For the three months ended February 28, 2019 and 2018
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

	For the three months ended February 28, 2019	2018
Expenses		
Accounting and audit fees	$ 6,000	$ 8,055
Administration fees – Note 9	21,000	21,000
Bank charges and interest	349	538
Consulting fees – Note 9	36,960	26,831
Depreciation	589	2,807
Foreign exchange (recovery)	(25,850)	16,669
Investors relations	2,202	3,304
Legal fees	354	8,842
Listing, filing and transfer agent fees	7,282	10,199
Marketing	1,867	28,126
Office administration and general	5,640	11,495
Rent – Note 9	13,810	13,237
Share-based compensation – Notes 8	-	49,542
Travel, conferences and promotion	1,037	18,097
Wages and benefits – Note 9	33,298	36,830
Loss before other item	(104,538)	(255,572)
Other item:		
Write-off of accounts payable	10,888	-
Realized gain (loss) on marketable securities	6,873	-
Unrealized loss on marketable securities	(1,219)	(74,113)
Net loss and comprehensive loss for the period	$ (87,996)	$ (329,685)
Basic and diluted loss per share	$ (0.00)	$ (0.00)
Weighted average number of shares outstanding	152,295,508	149,334,805

DAJIN RESOURCES CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
For the three months ended February 28, 2019 and 2018
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

	Common Stock Issued Shares (Note 7)	Amount	Contributed Surplus	Accumulated Deficit	Total
Balance, November 30, 2017	148,918,508	$ 27,876,890	$ 3,030,553	$ (25,735,510)	$ 5,171,933
Shares issued for cash:					
On exercise of share purchase options - $0.06	150,000	9,000	-	-	9,000
On exercise of share purchase options - $0.07	50,000	3,500	-	-	3,500
On exercise of share purchase options - $0.16	37,000	5,920	-	-	5,920
On exercise of share purchase warrants - $0.13	350,000	45,500	-	-	45,500
Allocation of options exercised	-	12,554	(12,554)	-	-
Fair market value of stock based compensation	-	-	49,542	-	49,542
Net loss for the period	-	-	-	(329,685)	(329,685)
Balance, February 28, 2018	149,505,508	27,953,364	3,067,541	(26,065,195)	4,955,710
Shares issued for cash:					
On exercise of share purchase options - $0.05	2,750,000	137,500	-	-	137,500
On exercise of share purchase options - $0.16	40,000	6,400	-	-	6,400
Allocation of options exercised	-	84,881	(84,881)	-	-
Share-based payment	-	-	307,638	-	307,638
Net loss for the period	-	-	-	(1,188,483)	(1,188,483)
Balance, November 30, 2018	152,295,508	28,182,145	3,290,298	(27,253,678)	4,218,765
Net loss for the period	-	-	-	(87,996)	(87,996)
Balance, February 28, 2019	152,295,508	$ 28,182,145	$ 3,290,298	$ (27,341,674)	$ 4,130,769

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

DAJIN RESOURCES CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
For the three months ended February 28, 2018 and 2017
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

	For the three months ended February 28, 2019	2018
Operating Activities		
Net loss and comprehensive loss for the period	$ (87,996)	$ (329,685)
Add items not affecting cash:		
Depreciation	589	2,807
Share based compensation	-	49,542
Write-off of accounts payable	10,888	-
Unrealized foreign exchange	(25,903)	(6,901)
Unrealized loss/(gain) on marketable securities	1,219	74,113
Realized loss/(gain) on marketable securities	(6,873)	-
Net change in non-cash working capital:		
GST receivable	(2,833)	2,185
Prepaid expenses	2,155	9,763
Accounts payable and accrued liabilities	12,534	(25,646)
Amount due from (to) related parties	23,361	54,101
	(72,859)	(169,721)
Financing Activity		
Proceeds from issuance of common shares	-	63,920
Proceeds from loan payable	12,091	-
	12,091	63,920
Investing Activities		
Proceeds from sale of marketable securities	75,676	-
Resource property additions, net	(14,202)	(101,528)
Reclamation bonds	-	(367,427)
	61,474	(468,955)
Increase (decrease) in cash during the period	706	(574,756)
Cash (cash indebtedness), beginning of the period	(2,325)	1,113,645
Cash (cash indebtedness), end of the period	$ -	$ 538,889

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

DAJIN RESOURCES CORP.
CONDENSED INTERIM CONSOLIDATED SCHEDULE OF RESOURCE PROPERTY COSTS
For the three months ended February 28, 2019 and for the year ended November 30, 2018
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

	Canada	USA	
	Cowtrail	Nevada	Total
Acquisition costs			
Balance November 30, 2017	$ -	$ 420,299	$ 420,299
Staking and filing fees	-	165,714	165,714
Balance November 30, 2018 and February 28, 2019	-	586,013	586,013
Deferred exploration and development costs			
Balance, November 30, 2017	1	1,868,682	1,868,683
Drilling	-	40,462	40,462
Geological consulting (Note 9)	-	234,338	234,338
Mapping	-	11,092	11,092
Reports	-	155	155
Road and drill pad construction	-	1,073,885	1,073,885
Travel and accommodation	-	1,517	1,517
Write-off of resource property costs	(1)	(50,806)	(50,807)
Cost recoveries	-	(86,659)	(86,659)
Balance, November 30, 2018	-	3,092,666	3,092,666
Geological consulting (Note 9)	-	2,772	2,772
Road and drill pad construction	-	3,966	3,966
As at February 28, 2019	$ -	$ 3,099,404	$ 3,099,404
Total resource property costs			
As at November 30, 2018	$ -	$ 3,678,679	$ 3,678,679
As at February 28, 2019	$ -	$ 3,685,417	$ 3,685,417

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Note 1 Nature of Operations

Dajin Resources Corp. (the "Company") is an exploration stage company incorporated under the British Columbia Company Act on August 5, 1987 and is publically traded on the TSX Venture Exchange.

The Company's principal business activities include acquiring and developing mineral properties. At February 28, 2019, the Company's principal mineral interests are located in Argentina and the United States and it has not yet been determined whether these properties contain reserves that are economically recoverable. The recoverability of amounts shown for resource property costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying claims, the ability of the Company to obtain necessary financing to complete the development of the resource properties and upon future profitable production or proceeds from the disposition thereof.

The address of the Company's corporate office and principal place of business is Suite 450 - 789 West Pender Street, Vancouver, BC V6C 1H2.

Note 2 Basis of Preparation

Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and in accordance with International Accounting Standard ("IAS") IAS 34 "Interim Financial Reporting".

These condensed interim consolidated financial statements do not include all of the information and disclosures required to be included in annual consolidated financial statements prepared in accordance with IFRS. These condensed interim consolidated financial statements should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended November 30, 2018.

The condensed interim consolidated financial statements were authorized for issue by the Board of Directors on April 30, 2019.

Note 2 Basis of Preparation – (cont'd)

Going Concern

These condensed interim consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. As at February 28, 2019, the Company had not advanced its resource properties to commercial production and has not achieved profitable operations, has accumulated losses of $27,341,674 since inception and expects to incur further losses in the development of its business, all of which casts significant doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon successful results from its exploration and evaluation activities, its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

Basis of Measurement

The condensed interim consolidated financial statements have been prepared on a historical cost basis in Canadian dollars, which is the Company's functional currency.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods. See note 4 for use of estimates and judgments made by management in the application of IFRS.

Note 3 Significant Accounting Policies

These condensed interim consolidated financial statements have been prepared using accounting policies consistent with those used in the preparation of the Company's annual audited consolidated financial statements for the year ended November 30, 2018.

The Company's significant accounting policies are disclosed in Note 3 to the annual financial statements and these condensed interim consolidated financial statements should be read in conjunction with the Company's annual audited consolidated financial statements for the year ended November 30, 2018.

Note 3 Significant Accounting Policies (cont'd)

Accounting standards issued but not yet applied

The following new standards and interpretations are not yet effective and have not been applied in preparing these condensed interim consolidated financial statements. The Company is currently evaluating the potential impacts of these new standards; however, the Company does not expect them to have a significant effect on the financial statements.

• IFRS 9, *Financial Instruments* (effective January 1, 2018) introduces new requirements for the classification and measurement of financial assets, and will replace IAS 39. IFRS 9 requires financial assets to be classified into three measurement categories on initial recognition: those measured at fair value through profit and loss, those measured at fair value through other comprehensive income and those measured at amortized cost. Investments in equity instruments are required to be measured by default at fair value through profit or loss. However, there is an irrevocable option for each equity instrument to present fair value changes in other comprehensive income. Measurement and classification of financial assets is dependent on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. IFRS 9 provides a three-stage expected credit loss model for calculating impairment for financial assets. Expected credit losses are required to be recognized when financial instruments are initially recognized and the amount of expected credit losses recognized are required to be updated at each reporting date to reflect changes in the credit risk of the financial instruments.

On initial recognition, IFRS 9 requires financial liabilities to be classified as subsequently measured at amortized cost except for when one of the specified exceptions applies.

• IFRS 16, *Leases* (effective January 1, 2019) introduces new requirements for leases. Under IFRS 16, all leases are required to be accounted for as finance leases rather than operating leases, where the required lease payments are disclosed as a commitment in the notes to the financial statements. As a result, leased assets ("right-of-use" assets) and the related lease liability will be required to be recognized on the statement of financial position.

Note 4 Use of Estimates and Judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Information about critical judgments and estimates in applying accounting policies that have the most significant effect on the amounts recognized in these consolidated financial statements are as follows:

i) Resource property expenditures

The application of the Company's accounting policy for resource property expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in the statement of comprehensive loss in the period the new information becomes available.

Note 4 Use of Estimates and Judgments – (cont'd)

ii) Impairment

At each reporting period, assets, specifically resource property costs are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. The assessment of the carrying amount often requires estimates and assumptions such as discount rates, exchange rates, commodity prices, future capital requirements and future operating performance.

iii) Going concern

The Company uses judgment in determining its ability to continue as a going concern in order to discharge its current liabilities via raising additional financing.

iv) Investment in Dajin Resource S.A.

The accounting for investments in other companies can vary depending on the degree of control and influence over those other companies. Management is required to asses at each reporting date the Company's control and influence over these other companies. Management has used its judgment to determine which companies are controlled and require consolidation and those which are significantly influenced and require equity accounting. The Company has diluted its interest in its wholly-owned subsidiary Dajin Resources S.A. ("Dajin S.A.") to 49% and has concluded that because it does not have the current ability to control the key operating activities of the company. Pursuant to the Shareholders and Operating Agreements entered into by the companies, Lithium Corporation ("LSC"), was appointed operator for the earn-in period and the board of directors of Dajin S.A. is comprised of two directors appointed by Lithium H and one director appointed by the Company. The operator prepares and submits annual budgets and programs to the board for approval and has sole and exclusive right and authority to manage, direct and supervise all operations for and on behalf of Dajin S.A. Management has determined that the Company does not have significant influence over Dajin S.A. Accordingly, the investment in Dajin S.A. is accounted for at cost and not as an investment in associate. (Note 6).

v) Share-based compensation transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 8.

(Stated in Canadian Dollars)

Note 5 Marketable securities

Marketable securities consist of equity securities over which the Company does not have control or significant influence. Unrealized gains and losses due to period end revaluations to fair value are included in comprehensive loss for the period. At February 28, 2019, the Company owned Nil (November 30, 2018 – 140,415) shares of LSC Lithium Corporation, 18,750 (November 30, 2018 – 18,750) shares of Nevada Energy Metals Inc. and 150,000 (November 30, 2018 – 150,000) shares of Cypress Development Corp., the shares of which are traded on the TSX Venture Exchange.

	February 28, 2019	November 30, 2018
Marketable securities – fair value	$ 30,844	$ 100,866
Marketable securities – cost	$ 32,500	$ 230,040

During the three months ending February 28, 2019 140,415 (February 28, 2018 – Nil) shares were sold for proceeds of $75,676 (February 28, 2018 – $Nil).

Note 6 Investment in Associate

On October 25, 2016, the Company completed a share purchase agreement with Lithium S Holdings Corporation ("Lithium S"), a wholly-owned subsidiary of LSC Lithium Corporation ("LSC"), whereby Lithium S acquired, and can maintain, a 51% interest in Dajin Resources S.A. by making a cash payment of $1,000,000 ($865,000 received by the Company net of applicable Argentine tax of 13.5% on the gross proceeds) and agreeing to expend a total of $2,000,000 on concessions held by Dajin Resources S.A by the earlier of; (a) the date of delivery of the funding completion certificate; (b) forty-eight months following the date of the agreement; or (c) twenty-four months after Dajin Resources S.A. has obtained all the necessary permits allowing access and development of onsite activities in order to start exploration work in one or more of the relevant mining rights which covers over 2,000 adjacent hectares.

If Lithium S fails to incur the expenditure requirement by the expiry date Lithium S shall have the option at any time and not later than the expiry date, to pay any shortfall in cash to the Company. If Lithium S fails to complete the full expenditure requirement by the expiry date, the capital stock of Dajin Resources S.A. will be adjusted in such a manner that for each funding shortfall of $58,824, the Company is re-conveyed with and recovers 1% of the capital stock of Dajin Resources S.A. Lithium S was appointed Operator for the earn-in period.

Dajin Resources S.A. is not expected to generate any profit or loss while Lithium S is completing its expenditure requirement, and accordingly the Company's equity investment in it is expected to remain unchanged during that period. The Company's loss of current legal control of Dajin Resources S.A. precludes consolidation of the underlying accounts of that company under IFRS. However, its maintenance of an expandable beneficial interest in this entity has caused management to conclude that effectively carrying the aggregate investment at historical cost, with any proceeds received reported as cost recoveries, is a conservative and fair accounting presentation.

Subsequent to February 28, 2019, Pluspetrol Resources Corporation B.V. acquired 100% of the issued and outstanding common shares of LSC.

Note 6 Investment in associate – (cont'd)

The costs applicable to this investment are directly reflective of actual historical exploration and evaluation expenses incurred and previously reported by the Company in respect to the property interests controlled by Dajin Resources S.A. Accordingly, the Company applies the impairment factors applicable to such costs in its assessment of the investment's current carrying value.

As at February 28, 2019, and November 30, 2018, the carrying amount of the investment in associate was $1,432,702.

Note 7 Resource Property Costs

Nevada Properties

At November 30, 2018, the Company has acquired a 100% interest in 145 placer claims in the Alkali Springs valley of Esmeralda County, Nevada.

At November 30, 2018, the Company has acquired a 100% interest in 403 placer claims in the Teels Marsh valley of Mineral County, Nevada.

Alkali Springs

In June 2015, the Company submitted an application for permit to appropriate the public waters of the state of Nevada ("application for water rights") for the purpose of temporary mining and milling use to develop non-potable lithium brine extraction processing alternatives for Alkali Lake playa in the Alkali Springs valley.

On November 6, 2018, the Company entered into a Letter Agreement with Cypress Development Corp. ("Cypress") for the exploration and development of the Company's Alkali Springs valley Lithium property.

Under the terms of the Letter Agreement, Cypress has the exclusive right and option to acquire a 50% undivided interest in the Company's unpatented mining claims and application for water rights in the Alkali Springs valley Lithium property. Within seven days of signing the Letter Agreement, Cypress issued 150,000 common shares to the Company, and was to pay USD$50,000 to the Company (USD$12,030 received as of November 30, 2018). Cypress will have a two-year period to complete the 50% earn-in by issuing an additional 150,000 common shares and incurring USD$200,000 in exploration expenditures within the first year of the Letter Agreement, and an additional USD$250,000 in exploration expenditures during the second year.

Upon successful completion of the Letter Agreement, a joint venture will be created. The Company and Cypress will share proportionally in property development if lithium brine resources are discovered.

The Company has the option to elect not to participate in the joint venture upon Cypress earning a 50% interest in the property. If the Company elects not to participate in the joint venture, their interest in the property will be diluted to a 10% net profits interest on the value of the joint venture's property.

Note 7 Resource Property Costs – (cont'd)

Nevada Properties – (cont'd)

Teels Marsh

On April 25, 2018, pursuant to a Memorandum of Understanding dated August 22, 2017, the Company entered into a Definitive Agreement (the "DA") with another company ("GDA") for the purpose of working together to develop the geothermal resources that can be used for the production of heat and/or electrical energy for use by a potential lithium plant or sold to third parties. GDA holds two geothermal lease blocks of land in Teels Marsh valley. The Company will pay all fees and costs, including annual geothermal lease rental payments, related to the initial stages of geothermal exploration that it conducts and is responsible for all project management related to exploration and development of the geothermal resource. GDA has input into decisions regarding any major work.

If potentially useable or saleable heat and/or electrical geothermal resources are identified, either the DA will be amended or joint venture and operating agreements will be entered into for the purpose of collectively building and operating a geothermal power plant and related facilities. The Company will be entitled to priority rights to electrical generation or heat on commercial terms for the energy needed for its mining operations. The Company will be credited 100% on a dollar for dollar basis for the exploration costs it incurs, to be credited towards the fees charged by GDA for electricity or heat to serve its needs. If GDA wishes to sell, transfer or assign any of its geothermal leases, the Company has a first right of refusal to purchase them.

The DA is for a period of five years and may be terminated by either party upon 60 days written notice.

On January 15, 2019, the Company was served notice by a creditor claiming a lien upon all of the unpatented mining claims in the Teels Marsh valley, Nevada, pursuant to a contract for construction services entered into during the previous year. The balance payable to the creditor is $652,997 denominated in US dollars at February 28, 2019. On April 18, 2019, a partial lien release was recorded of US$100,000, reducing the balance to $552,997.

The Company's interest in these mineral claims is held in a wholly-owned US subsidiary, Dajin Resources (US) Corp.

(Stated in Canadian Dollars)

Note 8 Share Capital

Authorized:

Unlimited common shares without par value
Unlimited preferred shares without par value

Nature and Purpose of Equity and Reserves:

The reserves recorded in equity on the Company's Statement of Financial Position include 'Contributed Surplus', and 'Accumulated Deficit'.

'Contributed Surplus' is used to recognize the value of stock option grants prior to exercise.

'Accumulated Deficit' is used to record the Company's change in deficit from earnings from year to year.

Commitments:

Share-Based Compensation Plan

The Company has granted employees and directors common share purchase options. These options are granted with an exercise price equal to the market price of the Company's stock on the date of the grant.

A summary of the status of the stock option plan as of February 28, 2019 and November 30, 2018 and changes during the period then ended on those dates is presented below:

	February 28, 2019		November 30, 2018	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding at beginning of period	11,542,000	$0.13	8,669,000	$0.12
Expired/cancelled	-		(750,000)	$0.14
Granted	-		6,650,000	$0.11
Exercised	-		(3,027,000)	$0.05
Options outstanding at end of the period	11,542,000	$0.13	11,542,000	$0.13
Options exercisable at end of the period	11,542,000	$0.13	11,542,000	$0.13
Weighted remaining life in years		1.20		3.10

(Stated in Canadian Dollars)

Note 8 Share Capital – (cont'd)

Commitments: – (cont'd)

Share-Based Compensation Plan – (cont'd)

At February 28, 2019, the Company has 11,542,000 share purchase options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

Number	Exercise Price	Expiry Date
50,000	$0.05	January 2, 2020
100,000	$0.06	April 1, 2020
50,000	$0.07	August 25, 2020
500,000	$0.10	June 25, 2020
1,900,000	$0.10	September 4, 2021
400,000	$0.10	October 4, 2021
2,900,000	$0.10	October 4, 2023
1,375,000	$0.14	April 4, 2021
950,000	$0.16	December 15, 2020
1,667,000	$0.16	July 15, 2021
1,650,000	$0.16	October 20, 2021
11,542,000		

The Company employed the Black-Scholes option-pricing model using the following assumptions.

	February 28, 2019	November 30, 2018
Risk free interest rate	-	1.67% - 2.43%
Expected life of options in years	-	2 – 5 years
Expected volatility	-	64.28% - 78.76%
Dividend per share	-	-
Forfeiture rate	-	-

During the three month period ended February 28, 2019 compensation expense of $Nil (2018: $49,542), using the graded method, were recognized for options granted and vested during the period.

(Stated in Canadian Dollars)

Note 8 Share Capital – (cont'd)

Commitments: – (cont'd)

Share-Based Compensation Plan – (cont'd)

The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options which have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions, including the expected stock price volatility. Because the Company's employee stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, the existing model may not necessarily provide a reliable measure of the fair value of its stock options.

A summary of the status of share purchase warrants as of February 28, 2019 and November 30, 2018 and changes during the periods then ended on those dates is presented below:

	February 28, 2019		November 30, 2018	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Balance, beginning of the period	-		8,330,277	$0.19
Issued	-		175,000	$0.17
Exercised	-		(350,000)	$0.13
Exercised	-		(8,155,277)	$0.20
Balance, end of the period	-	$-	-	$-

At February 28, 2019 and November 30, 2018, the Company has no share purchase warrants outstanding.

(Stated in Canadian Dollars)

Note 9 Related Party Transactions

The Company incurred the following charges with directors and officers of the Company and companies controlled by the directors:

	Three months ended February 28, 2019	Three months ended February 28, 2018
Wages and benefits	$ 14,469	$ 12,644
Key management compensation		
Administration fees	21,000	21,000
Consulting fees – Resource property cost	-	24,478
Consulting fees – Operating expenses	10,000	16,500
Rent	13,810	13,237
	44,810	75,215
	$ 59,279	$ 87,879

These charges were measured by the exchange amount that is the amount agreed upon by the transacting parties and are on terms and conditions similar to non-related entities.

Included in February 28, 2019 due to related parties is $223,429 (November 30, 2018: $189,179) of administration and consulting fees owing to companies with common officers and directors.

Included in February 28, 2019 prepaid expenses is an advance rent reimbursement of $4,619 (November 30, 2018: $4,571) to a company with a common director.

Amounts due to related parties, representing amounts due to companies controlled by the directors and officers of the Company for unpaid fees and reimbursement of expenses are non-interest bearing, unsecured and are due on demand.

Note 10 Loans Payable

Loans payable are non-interest bearing, unsecured, and due on demand.

Note 11 Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage. As such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the period ended February 28, 2019. Neither the Company nor its subsidiary are subject to externally imposed capital requirements.

Note 12 Financial Instruments

Financial instruments issued by the Company are treated as equity only to the extent that they do not meet the definition of a financial liability. The Company’s common shares are classified as equity instruments.

Subsequent measurement and changes in fair value will depend on their initial classification, as follows: FVTPL financial assets are measured at fair value and changes in fair value are recognized in income; available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the investment is derecognized or impaired at which time the amounts would be recorded in income.

The Company classifies and measures its financial instruments as follows:

- Cash, interest receivable, and reclamation bonds are classified as loans and receivables. The fair value of cash approximates its carrying value due to its short term nature.
- Marketable securities are classified as FVTPL.
- Accounts payable and accrued liabilities, due to related parties and loan payable are classified as other financial liabilities and are measured at fair value at inception. Their fair values approximate their carrying values due to their short term nature.

Note 12 Financial Instruments – (cont'd)

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

(a) Credit risk

Credit risk is the risk of an unexpected loss if a party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. The Company reduces its credit risk on cash by placing it with institutions of high credit worthiness. As at February 28, 2019 the Company is not exposed to any significant credit risk.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has in place a planning and budgeting process to help determine the funds required to support the Company's normal operating requirements on an ongoing basis and its planned capital expenditures. At February 28, 2019, the Company had cash of $Nil (November 30, 2018 - $Nil) and current liabilities of $1,417,321 (November 30, 2018 - $1,380,820). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's current policy is to invest excess cash in short-term deposits with its banking institutions. The Company monitors the investments it makes and is satisfied with the credit ratings of the banks with which they are held.

(d) Price risk

The ability of the Company to finance the exploration and development of its properties and the future profitability of the Company is directly related to the commodity prices of industrial minerals (Lithium, Boron and Potassium), and precious and base metals. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. Sensitivity to price risk relative to earnings is remote since the Company has not established any reserves or production. The Company is also exposed to the risk of equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company monitors commodity prices of industrial minerals, precious and base metals, individual equity movements, and the stock market in general to determine the appropriate course of action to be taken.

Note 12 Financial Instruments – (cont'd)

(e) Sensitivity Analysis

The Company has designated its cash, interest receivable and reclamation bonds as loans and receivables, and measures them at their amortized costs. Accounts payable and accrued liabilities, due to related parties and loan payable are classified as other financial liabilities, which are measured at their amortized costs.

Based on management's knowledge and experience of the financial markets, the Company believes the following is "reasonably possible" during the upcoming financial year:

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of precious metals. Precious metal prices have fluctuated significantly in recent years. There is no assurance that, even as commercial quantities of industrial minerals and precious metals may be produced in the future, a profitable market will exist for them. As of February 28, 2019, the Company was not an industrial mineral or precious metal producer. As a result, commodity price risk largely affects the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

(f) Foreign Currency Risk

Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company's operations are carried out in Canada and the United States. As at February 28, 2019, the Company had accounts payable of $672,420 (November 30, 2018: $671,360) denominated in US dollars. These factors expose the Company to foreign currency exchange rate risk, which could have an adverse effect on the profitability of the Company. The Company currently does not plan to enter into foreign currency future contracts to mitigate this risk.

Note 13 Non-Cash Transactions

Investing and financing activities that do not have a direct impact on current and future cash flows are excluded from the statements of cash flows. At February 28, 2019, the Company had $7,465 (February 28, 2018: $35,447) in accounts payable and accrued liabilities related to mineral property costs. These transactions were excluded from the statements of cash flows.

(Stated in Canadian Dollars)

Note 14 Segmented Information

The Company operates in one business segment, mineral exploration. As at February 28, 2019, its mineral properties and head office are located in two geographic locations: Canada and the United States.

The Company's net loss is allocated to the geographic segments as follows:

	Three months ended February 28, 2019	Three months ended February 28, 2018
Net losses (income)		
Canada	$ 113,899	$ 336,082
United States	(25,903)	(6,397)
	$ 87,996	$ 329,685

The Company's total assets are allocated to the geographic segments as follows:

	February 28, 2019	November 30, 2018
Total Assets		
Canada	$ 45,369	$ 115,302
Argentina	1,432,702	1,432,702
United States	4,070,019	4,051,581
	$ 5,548,090	$ 5,599,585